

Governor releases FY2025 executive budget recommendation

Written by gallupsun
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SANTA FE — Gov. Michelle Lujan Grisham released the FY2025 executive budget recommendation on Jan. 4. The budget totals \$10.5 billion in recurring spending, a 9.9% increase from the last fiscal year. The executive recommendation will maintain reserves at 34.2%. The budget directs meaningful investments in key areas including housing, education, child wellbeing, public safety, health care, economic development, and water and natural resources.

“Because of our historic – but prudent – investments made over the last few years in New Mexico in everything from small businesses to hospitals, childcare to college, free school meals to law enforcement, the future of our state is brighter than ever,” Lujan Grisham said. “Here’s my promise to New Mexicans today: I will continue to push for programs, services and solutions that work. Here’s my promise to New Mexicans in future years and future generations: We will continue to spend within our means, responsibly and with an eye toward accountability, always, while capitalizing on the fiscal opportunities available.”

The FY25 budget recommendation capitalizes on New Mexico’s record revenue while utilizing recurring revenue reasonably and consistently, which is in line with future projections of the Consensus Revenue Estimating Group.

Highlights from the budget recommendation include the following:

WATER AND NATURAL RESOURCES:

- \$500 million capital appropriation from severance tax bonds for the Strategic Water Supply
- \$250 million general fund transfer to the Land of Enchantment Conservation Fund, which feeds into the Land of Enchantment Legacy Fund
- \$20 million to support low-interest loans to communities to implement projects that reduce carbon emissions

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HOUSING AND HOMELESSNESS

- \$250 million for the New Mexico Housing Trust Fund
- \$250 million to the New Mexico Finance Authority Opportunity Enterprise Revolving Fund to increase funding for affordable housing, including developments of low income multi-family housing, down payment assistance for low and middle income households, homeowner rehabilitation and weatherization programs, etc.
- \$40 million for homelessness initiatives to coordinate and expand homelessness services statewide

EDUCATION

- \$33 million to expand early pre-kindergarten by 1,380 slots
- \$101.2 million increase to the State Equalization Guarantee Distribution for the necessary adjustment to 180 classroom days
- \$58.1 million for structured literacy, including \$30 million for a new Structured Literacy Institute
- \$43.5 million for healthy, universal school meals
- 3% pay increase (\$96 million) for all educators

HEALTH CARE, BEHAVIORAL HEALTH, AND CHILD WELL-BEING

- \$2.15 billion in recurring general fund for the Health Care Authority, formerly the Human Services Department
- \$100 million for the Rural Healthcare Delivery Fund
- \$87.9 million for Medicaid provider rate increases to 150% for maternal/child health, primary care, and behavioral health
- \$24.7 million to create a new Family Services division at the Children, Youth and Families Department

PUBLIC SAFETY

- \$35 million for corrections and law enforcement recruitment statewide
- \$5 million for the Governor's Commission on Organized Crime
- \$35 million for the Firefighter and EMT Recruitment Fund

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ECONOMIC DEVELOPMENT AND INFRASTRUCTURE

- \$100 million to launch the New Mexico Match Fund, which will leverage federal funding for infrastructure investments, including roads, bridges, water, energy and broadband
- \$25 million for the Local Economic Development Act Program
- \$9.7 million for the Job Training Incentive Program
- \$5 million in total funding for the New Mexico Media Academy
- \$1.5 million special to the Economic Development Department to broaden New Mexico's international market reach

The executive budget also includes a 3% compensation increase for state employees.

